

9:00 a.m.
April 24, 2001

MINUTES – REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Ronda Cahill, Chair
Christine Yorozu, Vice Chair
Gerry Marsh, Secretary
Susan Brady, Member

COMMISSION MEMBER ABSENT

Lois Clement, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Asst. Attorney General
Neil Gorrell, Asst. Attorney General
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Ronda Cahill at 9:00 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Minutes

Moved by Commissioner Marsh, seconded
by Commissioner Yorozu:

Motion 01-069

**The Commission adopts the minutes
of the regular meeting of February 27,
2001 as written.**

The motion passed unanimously.

Citizen Comments/Concerns

No citizen comments were expressed.

Commissioner Comments

Commissioner Cahill thanked Commissioner Yorozu, Commissioner Brady and Commissioner Marsh for attending the bill signing for Senate Bill 6109, Special Reporting of Independent

Expenditures and Contributions, signed by Governor Locke on April 17, 2001.

Rule Making

Doug Ellis reported on possible permanent adoption of amendments to four rules and repeal of one rule. Mr. Ellis noted that he has received positive comments from stakeholders regarding these rules.

WAC 390-16-105

Abbreviated campaign reporting – eligibility. This proposed amendment would substitute Mini reporting for Abbreviated reporting and increase the overall contribution and expenditure dollar thresholds to \$3,500 and the aggregate single contribution dollar threshold to \$300.

WAC 390-16-150

Mini campaign reporting. This rule would be repealed due to the requested amendments to other rules.

WAC 390-16-111

Abbreviated campaign reporting – Special fund raising events. This rule change clarifies that the single contributor threshold does not apply to a fundraising event so long as funds received from any person during the campaign or calendar year do not exceed the limit.

WAC 390-16-011

Forms – Registration Statement for Political Committees. Amend this rule to reflect the changes in Mini reporting and eliminate reference to Abbreviated reporting.

WAC 390-16-012

Forms – Registration Statement for Candidates. Amend this rule to reflect the changes in Mini reporting and eliminate reference to Abbreviated reporting.

WAC 390-24-200

Real Property. This rule outlines what is required in reporting real property on the Personal Financial Affairs Statement.

Staff is proposing that this rule be amended to reflect that reporting the street address of real property would not be mandatory, but would be included with the other options of reporting the

assessor's parcel number, the abbreviated legal description appearing on property tax statements, or the complete legal description.

There were no public comments.

Motion 01-170

Moved by Commissioner Marsh, seconded by Commissioner Brady:

The Commission amends WAC 390-16-105 Abbreviated campaign reporting – Eligibility as amended, WAC 390-16-111 Abbreviated campaign reporting – Special fund raising as amended, WAC 390-16-011 Forms – Registration Statement for Political Committees, WAC 390-16-012 Forms – Registration Statement for Candidates, WAC 390-24-200 Real Property and repeals WAC 390-16-150 Mini campaign reporting effective June 1, 2001.

The motion passed unanimously.

Discussion of Rule Making

Mr. Ellis also discussed possible amendments to six other rule changes necessary to fully implement the change from three campaign reporting options to only two choices, Mini and Full. However, due to lead-time requirements of the rule-making process and statutory deadlines for the effective date of PDC rules applying to this year's campaigns, campaign-related permanent rules cannot be processed in time for this year's campaign season. As an alternative, staff will be recommending at a future meeting that the Commission:

1. On an emergency basis, amend WAC 390-16-115 to implement the conditions under which Mini reporting may be used.
2. On an emergency basis, amend WAC 390-16-125 to clarify the process by which a filer changes from Mini reporting to full reporting.
3. On an emergency basis, repeal two rules that are no longer needed – WAC 390-16-155 and WAC 390-16-120.

4. Move forward with the permanent rule-making process for two rules which would then take effect after the November election:
 - a. Amend WAC 390-16-041 to remove reference to the C-4abb form since Abbreviated reporting is being eliminated.
 - b. Repeal WAC 390-16-190 requiring all full-reporting, major political party candidates for governor to file electronically because this rule has been superseded by a statute mandating electronic filing as of January 1, 2002. RCW 42.17.369(1).

Interpretations

Vicki Rippie reported on replacing Interpretation 96-01 Regarding State Officials Participating in Fund Raising Events During a Legislative Freeze Period with Proposed Interpretation 01-01. This change incorporates the State Supreme Court's decision in Senate Republican Campaign Committee (SRCC) v PDC as well as the 1998 revisions made to WAC 390-17-400, the rule implementing RCW 42.17.710. She noted that item number 11, which refers to WAC 390-17-400(8) should read WAC 390-17-400(7).

Commissioner Brady suggested removing the first sentence within the parenthesis in item number 6.

Motion 01-171

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission adopts Interpretation 01-01 Regarding State Officials Participating in Fund Raising Events During a Legislative Freeze Period as amended.

The motion passed unanimously.

Ms. Rippie also reported that Interpretation 99-01, The Eight-Day Period for Inspection of Campaign Books, is out-dated because the candidate and political committee registration forms, C-1 and C-1pc, have been amended to incorporate the

statutory changes made in 1999 and 2000. She also noted that Interpretation 98-01, Slate Cards and Other Candidate Listings, has been superseded by WAC 390-17-030, Sample Ballots and Slate Cards, which was adopted in 1999.

Motion 01-172

Moved by Commissioner Yorozu, seconded by Commissioner Marsh:

The Commission withdraws Interpretations 99-01 The Eight-Day Period for Inspection of Campaign Books, and 98-01 Slate Cards and other Candidate Listings.

The motion passed unanimously.

Legislation

Assistant Attorney General Nancy Krier updated the Commission on Substitute House Bill 1384 regarding public board and commission meetings held pursuant to the Open Public Meetings Act.

Vicki Rippie announced that the Senate confirmed Commissioner Yorozu on April 21, 2001. Ms. Rippie also updated the Commission on legislation regarding whether conservation district supervisors must file under chapter 42.17 RCW.

Mr. Steven Meyer, Executive Director of the Conservation Commission was present and reported on the progress of legislation that would change RCW 89.08 to conform with RCW 29.13.

Staff Reports

Executive Director

Vicki Rippie reported on a letter from Governor Locke denying Mr. Robert Edelman's request for appeal of the Commission's denial of a petition for rule making. Ms. Rippie also reported on the status of the FY 2001 budget.

Assistant Director

Susan Harris updated the Commission on progress in implementing the JLARC recommendations and noted that staff has been working with the Department of Personnel

regarding upgrading the Political Finance Specialist positions.

Chief Technology Officer

Michael Smith introduced Daniel Springer who has been hired to fill the Information Technology Specialist 4 position. Mr. Smith also reported on the progress of upgrades and enhancements to the Electronic Document Management System.

Assistant Attorney General

Nancy Krier summarized the status of pending litigation. She reported that a trial date for PDC v. Washington Education Association has been set for May 14, 2001.

Reporting Modifications

New

*Kristianne Blake, Member,
Higher Education Coordinating
Board*

Phil Stutzman reported that Ms. Blake requests an exemption from reporting business customers paying over \$7,500 to Avista Advantage, Inc., of which she is a board member.

Motion 01-173

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission grants the reporting modification to Kristianne Blake, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (with changes)

*Kenneth Alhadeff, Regent, WA
State University*

Mr. Stutzman reported that Mr. Alhadeff requests an exemption from reporting payments and real estate holdings of several civic organizations for which he serves in a leadership role.

Motion 01-174

Moved by Commissioner Yorozu, seconded by Commissioner Brady:

The Commission grants the reporting modification to Kenneth Alhadeff, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*Gerald Grinstein, Regent
University of Washington*

Mr. Stutzman reported that Mr. Grinstein requests an exemption from reporting payments received from business customers and governmental agencies of several entities for which he and his spouse are officers or directors.

Motion 01-175

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission grants the reporting modification to Gerald Grinstein, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (no change)

The remaining “renewals with no changes” reporting modification requests were considered en masse.

Motion 01-176

Moved by Commissioner Marsh, seconded by Commissioner Yorozu:

The Commission grants the reporting modifications requested by Mari J. Clack, Aubrey Davis, Joseph P. Delay, William H. Gates, Orlan Gessford, David R. Johnson, David E. Lamb, Isabelle Lamb, Michael Ormsby, Jay A. Reich, Palmer Robinson, Richard B. Sanders, Karen Seinfeld, Erin M. Sheridan, Mark Thompson, Elizabeth Verhey, WA State School Directors’ Association, Betty Woods, Grace T. Yuan and Cynthia Zehnder.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Enforcement Matters

Assistant Attorney General Neil Gorrell recommended that the Commission defer consideration of whether Spokane County Assessor Sadie Cooney violated RCW 42.17.680(2) with respect to Linda Rouse until after a pending federal lawsuit filed by Ms. Rouse against Ms. Cooney is resolved.

Commissioner Cahill expressed concern as to the statute of limitations while the lawsuit is pending.

Nancy Krier advised that the Attorney General’s Office would monitor the case and suggested that

the Commission place the matter in a pending status.

Motion 01-177

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission place a hold on the matter regarding Sadie Charlene Cooney until the pending federal lawsuit filed by Linda Rouse is resolved.

The motion passed unanimously.

Request for Review

Richard Lee, case #00-576

Phil Stutzman reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Lee was found in violation of RCW 42.17.050 for failure to file a Candidate Registration and RCW 42.17.240 for failure to file a Statement of Financial Affairs. Mr. Lee was assessed a penalty of \$500 with \$450 suspended.

Staff is asking the Commission to vacate the order because of information recently provided to staff indicating that Mr. Lee's name did not appear on the ballot and he was not a candidate.

Motion 01-178

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission vacates the order in PDC case #00-576, Richard Lee.

The motion passed unanimously.

Richard Mount, case #00-639

Mr. Stutzman reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Mount was found to have violated RCW 42.17.050 for failure to timely file a Candidate Registration. Mr. Mount was assessed a penalty of \$500 with \$450 suspended based on the conditions in the January 14, 2000 order.

Mr. Mount sent a letter asking that the penalty be reduced.

There was no motion to review this matter.

Ed Oliphant, case #01-094

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Oliphant was found to have violated RCW 42.17.240 for failure to file a Statement of Financial Affairs. He was assessed a penalty of \$200.

Mr. Oliphant submitted a letter stating that he had gone through a bankruptcy when the form was due, eventually filed the form by fax but did not mail the original form.

There was no motion to review this matter.

John Orozco, case #01-178

Mr. Stutzman reported that a brief enforcement hearing was held January 22, 2001 in which Mr. Orozco was found to have violated RCW 42.17.240 for failure to timely file the Statement of Financial Affairs. Mr. Orozco was assessed a penalty of \$100.

Mr. Orozco sent a letter explaining that the letter was inadvertently delivered to his neighbor who spends months at a time in Mexico. Mr. Orozco did not receive the letters until after the neighbor returned from Mexico.

Motion 01-179

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission dismisses case #01-178, John Orozco.

The motion passed unanimously.

Vincent Tomaso, case #01-027

Mr. Stutzman reported that a brief enforcement hearing was held September 26, 2000 in which Mr. Tomaso was found to have violated RCW 42.17.050 for failure to timely file a Candidate Registration and RCW 42.17.240 for failure to

timely file a Statement of Financial Affairs. He was assessed a penalty of \$350.

Mr. Tomaso made an oral request for a review stating that he was not eligible to run for election because he had moved between Island County and Kittitas County. The Kittitas County Auditor reported that he was eligible to run and was on the ballot.

There was no motion to review this matter.

Vincent Tomaso, case #00-819

Mr. Stutzman also reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Tomaso was found to have violated RCW 42.17.050 for failure to timely file a Candidate Registration and RCW 42.17.240 for failure to timely file a Statement of Financial Affairs. He was assessed a penalty of \$500 with \$450 suspended based on the conditions in the January 14, 2000 order.

There was no motion to review this matter.

Hearing:

*Janet Barry, Superintendent,
Issaquah School District No 411
Case #99-075*

Assistant Attorney General Neil Gorrell summarized the case against Janet Barry, Superintendent, Issaquah School District for violations of RCW 42.17.130 for using or authorizing the use of the facilities of Issaquah School District No. 411 to support passage of the district's April 27, 1999, capital construction bond and technology levy.

Mr. Gorrell read the Stipulation of Facts, Violations and Penalty into the record noting that the penalty incorporates steps to assure that the violations do not occur in the future.

Commissioner Brady requested that the penalty portion of the Stipulation be changed to reflect

more clearly that it must be paid with non-public funds.

Bill Elder, complainant, was present and addressed the Commission stating that the Respondent's contentions in the Stipulation of Facts, Violations and Penalty does not clearly express the real facts of the case.

Commissioner Brady expressed concern with school districts not following the rules and guidelines. She opposed the stipulation in its current form because the Respondent's contentions contradict the amended statement of charges.

Commissioner Yorozu commented that school districts are repeatedly appearing before the Commission for the same types of violations. She questioned why school districts were not seeking guidance on this issue in an effort to avoid violations.

Commissioner Marsh expressed reservations regarding the stipulation since it conveys the message that the penalty will be paid as a way to resolve the situation instead of clearly reflecting the facts.

Commissioner Cahill also disapproved of the stipulation because the Respondent's contentions attempt to refute the statement of administrative charges.

Christopher Hirst, attorney for Superintendent Barry, addressed the Commission and reported that the additions to the staff report contained in the stipulation were intended to demonstrate that there is a disagreement about intent or willfulness, not about what staff had discovered which might result in violations if heard in an enforcement hearing. He also noted that this stipulation is directly in line with prior similar cases.

The Commission requested that the stipulation be amended to eliminate the Respondent's contentions under Facts and to clarify that non-public funds are to be used to pay the penalty.

Mr. Hirst accepted the amendments to the stipulation on behalf of his client and indicated he had been authorized to sign on her behalf.

Neil Gorrell read the Amended Stipulation of Facts, Violations and Penalty into the record.

Motion 01-180

Moved by Commissioner Brady, seconded by Commissioner Yorozu:

The Commission accepts the amended Stipulation of Facts, Violations and Penalty of \$3,500 with \$1,000 suspended in PDC case #99-075, Janet Barry, Superintendent, Issaquah School District, No. 411.

The motion passed unanimously.

Commissioner Cahill noted that Vicki Rippie was authorized to sign the order on behalf of the Commission and requested that the order reflect payment due within 60 days from the date of the order.

Executive Session

The Commission went into executive session at 1:00 p.m. to discuss current litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session and adjourned the meeting at 1:17 p.m. The next meeting is scheduled for Tuesday, May 22, 2001.

Approved by the Commission 5/22/01